

Memorandum

TO: HONORABLE MAYOR AND
COUNCIL

FROM: Jennifer Maguire
Robert L. Davis

SUBJECT: POLICE STAFFING PLAN
AS PORTION OF GENERAL
FUND BUDGET

DATE: May 23, 2008

Approved

Christine J. Shuppy

Date

5-23-08

BACKGROUND

During the City Council budget study sessions for the 2008-2009 Proposed Budget, Councilmember Cortese asked for a calculation of the impact of adding the Police Staffing Plan to the General Fund budget, and how this would change the percentage that the Police Department's budget represents in the General Fund. This memorandum outlines the impact of these additional expenditures, including increased General Fund shortfalls and an increase in the portion of the General Fund that the Police Department budget represents.

ANALYSIS

The 2009-2013 *Five-Year Forecast and Revenue Projections*, released February 2008, projects General Fund shortfalls through 2011-2012, requiring balancing solutions of approximately \$52.7 million from 2009-2010 through 2011-2012. This amount is in addition to the approximately \$23 million General Fund shortfall for 2008-2009. The *Police Proposed Five-Year Staffing Plan: 2007-2012* presented to the City Council in November 2007 outlines the Department's identified needs of an additional 597.5 staff (478 sworn and 119.5 civilian). The below chart displays the impact of staffing plan costs on the General Fund shortfalls projected for the out years of the 2009-2013 Five-Year Forecast. These additional expenditures would increase the City's General Fund projected shortfalls over the four out years of the forecast from \$50.2 million to \$173.4 million.

The calculation assumes full implementation of the staffing plan. This removes from the total the net 14 sworn staff included in the 2007-2008 Adopted Budget (15 officers added less one restored position) and the 15 sworn staff proposed for 2008-2009. The calculation brings the

Police Department up-to-date with the intended timeline of the original staffing plan in 2009-2010 by including the elements proposed in the staffing plan for 2007-2008 and 2008-2009 with the 2009-2010 staffing plan elements. For 2009-2010, this assumes 378.5 new staff (290 sworn and 88.5 civilian), which includes the 2007-2008, 2008-2009, and 2009-2010 staffing plan elements less the 29 net officers accounted for above. These staffing additions would increase projected expenditures by \$49.9 million in 2009-2010. The staffing plan is assumed to be fully implemented by 2011-2012, and with estimated cost of living adjustments, would cost \$123.2 million annually by 2012-2013.

**Police Proposed Staffing Plan Impact on
General Fund Forecast**

(in millions)

	2009-2010	2010-2011	2011-2012	2012-2013	Total
February Forecast General Fund Incremental (Shortfall)/Surplus*	(\$42.5)	(\$5.5)	(\$4.7)	\$2.5	(\$50.2)
Police Staffing Plan Incremental Projected Cost**	(49.9) 378.5 FTE	(23.4) 96 FTE	(\$44.5) 94 FTE	(\$5.4) 0 FTE	(\$123.2) 568.5 FTE
Adjusted Incremental (Shortfall)/Surplus with Staffing Plan Projected Cost	(\$92.4)	(\$28.9)	(\$49.2)	(\$2.9)	(\$173.4)

* 2009-2013 Five-Year General Fund Forecast (February 2008), includes sunseting of the Emergency Communications System Support Fee (ECSS) in 2009-2010 (\$23.4 M)

** 2009-2010 Police Staffing Plan Projected Cost also includes 2007-2008 and 2008-2009 proposed staffing as outlined in the original plan, minus \$3.4 M for net 29 officers (30 officers added less one restored position) included in 2007-2008 and as proposed in the 2008-2009 Proposed Budget.

** 2012-2013 Police Staffing Plan Projected Cost reflects a cost-of-living increase on the total annual cost of the staffing plan as fully implemented in 2011-2012.

Implementation of the staffing plan would further impact General Fund shortfalls and the General Fund structural deficit, requiring even higher level balancing solutions consistent with the City Council goal of eliminating the structural budget deficit within three years. Such solutions would need to include a combination of additional revenue strategies, service delivery model changes, expenditure controls and shifts, and/or service reductions.

The Police Department's budget as a percentage of the General Fund with the addition of the staffing plan was also requested. The 2008-2009 Proposed Budget includes Police Department expenditures of \$277.9 million, or 30.4% of the General Fund total budget of \$913.8 million. With full implementation of the Staffing Plan and assuming cost of living adjustments, Police Department expenditures would grow to 39.9% of the General Fund by 2012-2013 assuming all other departmental spending remained consistent with forecast projections, as shown below.

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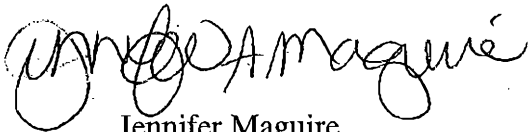
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**Police Proposed Staffing Plan Impact on Percentage of
General Fund Forecast Expenditures**

	2009-2010	2010-2011	2011-2012	2012-2013
Police % of February Forecast General Fund (GF) Expenditures*	32.0%	32.4%	32.6%	32.9%
Police % of Adjusted February Forecast GF Expenditures* with Staffing Plan	35.4%	37.1%	39.6%	39.9%

* Includes Reserve for Encumbrance at the 2008-2009 Proposed Budget level.



Jennifer Maguire
Acting Budget Director



Robert L. Davis
Chief of Police